

1 [Contract Agreement - Southern California Edison Company - Purchase of Renewable
2 Energy - CleanPowerSF - Not to Exceed \$24,000,000]

3 **Resolution retroactively approving a contract agreement with Southern California**
4 **Edison Company for supplies of renewable energy for CleanPowerSF for a**
5 **contract term of one year, from January 1, 2019, through December 1, 2019, in an**
6 **amount not to exceed \$24,000,000.**

7
8 WHEREAS, In May 2016, the San Francisco Public Utilities Commission (PUC)
9 launched San Francisco’s Community Choice Aggregation (CCA) program,
10 CleanPowerSF; and

11 WHEREAS, The goals of CleanPowerSF are to provide affordable and reliable
12 electricity services, cleaner energy alternatives advancing the City’s Greenhouse Gas
13 reduction goals, investment in local renewable energy projects and jobs, and long-term
14 rate and financial stability; and

15 WHEREAS, State law requires cities that offer CCA service to offer service to all
16 residential customers; many CCA programs, including CleanPowerSF, have added
17 customers in phases to mitigate financial and operational risk; and

18 WHEREAS, The CleanPowerSF Phasing Policy (adopted in the CleanPowerSF
19 Business Practice Policies on December 8, 2015, by PUC Resolution 15-0267) provides
20 that service will be offered to additional customers throughout San Francisco in a
21 manner that is financially prudent and operationally feasible; and

22 WHEREAS, CleanPowerSF commenced operation in 2016 with initial service to
23 almost 8,000 accounts; and

24 WHEREAS, CleanPowerSF conducted two additional expansions in November
25 2016 and July 2018 and now serves about 109,000 accounts; and

1 WHEREAS, The PUC anticipates offering service to all eligible residential and
2 small commercial customers in San Francisco in April 2019; and

3 WHEREAS, CleanPowerSF issued two requests for offers for renewable energy
4 supplies in June 22, 2017, and August 20, 2018; however, CleanPowerSF did not
5 receive offers for sufficient volumes of renewable supplies to support the expansion of
6 CleanPowerSF service in 2019; and

7 WHEREAS, CleanPowerSF submitted a bid into Southern California Edison
8 Company's (SCE) October 9, 2018, request for offers to purchase renewable energy
9 supplies; and

10 WHEREAS, SCE accepted CleanPowerSF's bid for sufficient volumes to allow
11 CleanPowerSF to move forward with the 2019 expansion; and

12 WHEREAS, SCE requires the use of Edison Electric Institute (EEI) contracts for
13 all entities that purchase renewable energy through SCE's October 9, 2018, request for
14 offers; that form agreement is on file with the Clerk of the Board of Supervisors in File
15 No. 150408; and

16 WHEREAS, In Ordinance Nos. 75-15, 223-15, and 8-18, the Board of
17 Supervisors authorized the PUC to use certain pro forma contracts, including the EEI
18 pro forma power purchase agreement, and deviate from certain otherwise applicable
19 contracting requirements; and

20 WHEREAS, A portion of the contract price for the renewable energy is a market-
21 based price that will be determined at the time of delivery based on a widely used
22 market index; and

23 WHEREAS, Based on market information predicting future prices,
24 CleanPowerSF estimates that the maximum cost of the contract is \$24,000,000 but the
25 actual cost will likely be approximately \$19,000,000; and

1 WHEREAS, The Public Utilities Commission approved the contract at its
2 December 11, 2018, meeting in Resolution No. 18-0210; now, therefore, be it

3 RESOLVED, That the Board of Supervisors hereby authorizes the General
4 Manager of the Public Utilities Commission to execute a contract with Southern
5 California Edison Company in an amount not to exceed \$24,000,000 with the term of
6 January 1, 2019, through December 31, 2019; and, be it

7 FURTHER RESOLVED, That the Board of Supervisors hereby authorizes the
8 General Manager of the Public Utilities Commission to make amendments to the
9 contract, as needed, that do not materially increase the obligations or liabilities of the
10 City; and, be it

11 FURTHER RESOLVED, That within thirty (30) days of the contract being fully
12 executed by all parties, the San Francisco Public Utilities Commission shall provide a
13 copy to the Clerk of the Board for inclusion into the official file.